

EXHIBIT 1

INSTRUCTIONS FOR FILLING OUT PROJECT LOG SHEET

The following log sheet must be filled out for all applications received for projects, whether or not the application has been approved. To the best of your ability, fill out the log sheet for all projects completed with private and other state and federal funds, whether or not you receive an application for CDBG funding. Count any projects that bring a substandard unit in the target area up to standard or involve a new construction, or a replacement of a manufactured house with a new manufactured house. Do not count manufactured homes that are replaced with used manufactured homes unless approved by DED.

APP #	List application number in order received
APP DATE	List date application was received. If CDBG funds were expended on the project, an application is required, if not, then leave blank.
NAME	List name of project beneficiary, not the owner of the project. If this is a rental unit, that means the tenant.
ADDRESS	List the project street address. If more than one unit is at the address, please place each on a separate line.
# IN HH	Number of persons in the family. If more than one family is in the unit, please place each on a separate line.
RACE	Please indicate the number of persons in each household with the racial characteristic: WH-White, BL-Black, A.IN-Native American, A/PA-Asian Pacific Islander, HIS-Hispanic. <u>Do not</u> simply place an X under the category that pertains to the head of the household.
AGE 62+	Indicate the number of persons in each household that are over age 62.
PYS. DISAB.	Indicate the number of persons in each household with a physical disability.
MENT DISAB.	Indicate the number of persons in each household with a mental disability.
FEM HeHo	If there is a person in the household who is female and meets the IRS definition of “head of household”, then put the total number of persons in that household.
INCOME	Enter the category of household income that has been verified. Do not enter the level of income from the application until these figures have been verified.

If the applicant does not qualify put, “over”, under these columns.
If the applicant does not qualify for reasons other than income put the reason down here.

OWN/RENT	Put down an O for owner and an R for rental.
CONTS. DATE	Put down the date a construction contract was signed.
CONTRACTOR	Put down the name of the contractor for the project. If more than one contract is awarded by the grantee on a project, each contract down on a separate line.
COMP. DATE	Put down the date a certificate of completion is signed on the contract.
REHAB COST	Put down the total amount of rehabilitation cost from the contract, regardless of the source of funding. Do not include the cost of lead reduction activities. Do not include the cost of housing rehabilitation inspection.
LEAD COST	Put down the total cost of the project due to lead control. This includes risk assessment, abatement costs, and clearance costs.
DEMO COST	Put down the total cost of demolition activities, regardless of the source of funds. Include all hazardous substances inspection and removal costs.
RELOC/RECONS.	Put down the total relocation costs or housing reconstruction costs, including the cost of replacing manufactured homes.
SUPPORT	At a minimum, indicate if supportive services have been provided at the unit. Some grantees may also want to indicate the type of supportive services provided.
HOMEOWNER	Put down the total amount of assistance involved with homeownership financing activities, regardless of the source of funding. This generally includes any situation where somewhat who is not a homeowner is becoming a homeowner as a result of the activity within the targeted area.
CDBG COST	Put down the total cost of the contract being paid with CDBG funds.
PRIVATE COST	Put down the total cost of the project being paid with the owner’s, bank funds, or other private sources of funds.
NONPR/FED/ST	Put down the total cost of the project being paid with public funds from other State and Federal sources or funds provided by a not-for-profit organization.

Sample Completed Log Sheet Explanations

Application #1: C. Mason Household. Solely funded CDBG rehabilitation project.

Application #2: Jones Household. Rehabilitation and lead hazard reduction with CDBG funds. Matching funds are: \$5,000 from the owner and \$5,000 from the Community Action Agency's Home Repair Program..

Application #3: L. Figueroa Household. Rehabilitation of a rental property with lead reduction work and the standard 25% landlord private match. CDBG funds used for rehab and lead work.

Application #4: H. Catrina, 516 1st: Private demolition project with no CDBG funds involved.

Application #5: Ms. Helpful Household. CDBG funds are used for "homeownership" activity. This LMI family purchase and rehabs a house in the project target area. In this case, CDBG funds were used to pay \$5,000 and MHDC funds were used to pay \$15,000 of the down payment assistance. The MHDC funds are shown as other agency match on the log form. \$10,000 in CDBG funds were used for rehab costs to make the unit meet HUD's decent, safe, and sanitary HQS standards. The lot, valued at \$15,000, was donated by the city. The bank provided a \$30,000 mortgage loan to Ms. Helpful, which is shown as owner match on the housing log form.

Application #6, #7, and #8: Ms. Landlord, 321 Walnut. This is a triplex rental unit rehabilitated using the maximum grant limitation amounts for each unit of \$21,000 each in CDBG program funds, for a total of \$63,000. The landlord 25% match of \$21,000 is shown as private match on the log form. The tenants in each of the three apartments are: #6 Bayne, #7 Rickabaugh, and #8 Robnett.

Applications #9, #10, #11, & #12: Hemenway #9, Papen #10, Lata #11, and Pendergast #12: These are an example of rehab applicants who do not qualify for the program because they are either above the LMI income limits, reside outside of the project target area, or have a conflict of interest, such as being the current Mayor.

Application #13: Twenter and Cheshire, 319 Elm. Two persons who share one unit, but only require one rehab contract.

Application #14: J. Kormann, 317 Elm. A homeownership project involving the new construction of a house on a vacant lot within the targeted area. The project included a \$40,000 bank loan, \$15,000 in down payment assistance from MHDC, \$15,000 in down payment assistance from CDBG, and \$10,000 in equity from the homeowner.

Application #15: D. Derks, 510 2nd Street. Project includes the purchase of an existing home within the targeted area for \$60,000. Payment of closing costs and down payment of \$5,000 from CDBG, \$5,000 from MHDC, a down payment of \$5,000 from the homeowner and a \$45,000 bank loan.

Application #16: J. Dent/Habitat for Humanity, 319 Oak. This project involved the construction of a new house by Habitat for Humanity and included in-kind labor of \$20,000 and material contributions from Habitat for Humanity of \$40,000. J. Dent is the new LMI owner of

the home. She contributed \$5,000 sweat equity during construction of her home. \$15,000 of CDBG funds was used to pay for the lot.

Application #17: K. & A. Martin, 508 2nd Street. This project involves the homeowners doing their own rehab work on their house. As with any owner-rehab, CDBG funds may only be used for the purchase of materials and to pay subcontractors under a signed contract. CDBG funds may only be used to pay the part of the subcontract that is within 10% of the rehab inspector's costs estimate. The owners must pay all cost above the inspector's cost estimate. For the lead hazard reduction work, the owners must have a HUD Lead Safe Work Practices certificate or they may hire contractors with the certificate to do rehab work that is coincidental to the work in the rehab inspector's work write-up. The Martins got their own one-day lead training certificate.

Application #18: B. & J LeSeure, 317 Oak. This project activity involves a CDBG application where a manufactured home was determined infeasible to rehabilitate. The grantee used CDBG funds to pay temporary relocation fees of \$1,000 for the LeSeure's to store their belongings and rent a dwelling that met HUD's decent, safe and sanitary HQS standards. The mobile home dealer disposed of infeasible mobile home and delivered and set-up the replacement mobile home. The replacement home was paid for with \$30,000 of CDBG relocation funds, and \$1,000 from the LeSeures. The \$1,000 difference from the LeSeures was required because the home that the LeSeures selected cost \$1,000 more than the most comparable replacement home that the grantee offered to the LeSeures, under the requirement of the Uniform Acquisition and Relocation Act.

Application #19: C. Campsano, 315 Oak. This rehab involves the owner paying \$1,500 of her own money to pay for higher quality materials than those require by the grantee's rehab program.

CDBG HOUSING ACTIVITIES LOG SHEET																		
#	APP #	APP DATE	NAME	ADDRESS	# IN HH	HOUSEHOLD CHARACTERISTICS												
						RACE					AGE	PHYS. DISAB	MENT. DISAB	FEM HeHo	INCOME			
						WH	BL	A.IN.	A/PA	HIS	62+					<80%	<50%	<30%
1																		
2																		
3																		
4																		
5																		
6																		
7																		
8																		
9																		
10																		
11																		
12																		
13																		
14																		
15																		
16																		
17																		
18																		
19																		
20																		
TOTALS					0	0	0	0	0	0	0	0	0	0	0	0	0	0
INSTRUCTIONS																		
1. Blue heading columns are required to be entered for performance report submission.																		
2. For Occupant Characteristics, fill in the total number of persons in that household with that characteristic.																		
3. If more than one family is in a household, use a separate row for each family.																		
4. For persons printing this on the computer, this is page one of two.																		

CDBG HOUSING ACTIVITIES LOG SHEET													
					ACTIVITIES FUNDED						FUNDING SOURCES		
#	OWN/ RENT	CONTRACT DATE	CON- TRACTOR	COMP. DATE	REHAB COST	LEAD COST	DEMO COST	NEW CONST	SUP- PORT	HOME- OWNER	CDBG COST	OWNER COST	OTHER INVEST
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
TOTALS					0	0	0	0	0	0	0	0	0

EXHIBIT 1B

CDBG HOUSING ACTIVITIES LOG SHEET																		
#	APP #	APP DATE	NAME	ADDRESS	# IN HH	HOUSEHOLD CHARACTERISTICS												
						RACE				AGE 62+	PHYS. DISAB	MENT. DISAB	FEM HeHo	INCOME				
						WH	BL	A.IN.	A/PA					HIS	<80%	<50%	<30%	
1	1	9/10/05	C. Mason	514 1st Street	1		1							1			1	
2	2	9/15/05	C. Jones	519 1st Street	2	2						1	1	2		2		
3	3	9/20/05	L. Figueroa	512 2nd Street	1					1				1	1			
4	NA		H. Catrina	516 1st Street														
5	5	9/30/05	Ms. Helpful	323 Elm	3			3						3	3			
6	6	10/15/05	A. Bayne	321 Oak #1	2	2								2	2			
7	7	10/15/05	T. Rickabaugh	321 Oak #2	1	1									1			
8	8	10/15/05	J. Robnett	321 Oak #3	3			3							3			
9	9	10/20/05	S. S. Hemenway	417 1st Street	1	1									Over			
10	10	10/20/05	A. Papen	419 1st Street	2	2									Over			
11	11	10/20/05	T. Lata	633 Walnut	3	3									OTA			
12	12	10/20/05	T. Pendergast	415 1st Street	4	1					1				Conflt			
13	13	10/25/05	Twenter/Cheshire	319 Elm	2	2								2		2		
14	14	10/31/05	J. Kormann	317 Elm	3	3									3			
15	15	10/31/05	D. Derks	510 2nd Street	2	2									2			
16	16	10/31/05	Habitat/Jo Ann Dent	319 Oak	4	4									4			
17	17	10/31/05	K. Martin	508 2nd Street	2	2										2		
18	18	11/5/05	B. LeSeure	317 Oak	2	2					2					2		
19		11/5/05	C. Campsano	315 Oak	4				4					4			4	
20																		
TOTALS					1	0	1	0	0	0	0	0	0	0	1	0	0	1
INSTRUCTIONS																		
1. Blue heading columns are required to be entered for performance report submission.																		
2. For Occupant Characteristics, fill in the total number of persons in that household with that characteristic.																		
3. If more than one family is in a household, use a separate row for each family.																		
4. For persons printing this on the computer, this is page one of two.																		

CDBG HOUSING ACTIVITIES LOG SHEET													
					ACTIVITIES FUNDED						FUNDING SOURCES		
#	OWN/ RENT	CONTRACT DATE	CON- TRACTOR	COMP. DATE	REHAB COST	LEAD COST	DEMO COST	NEW CONST	SUP- PORT	HOME- OWNER	CDBG COST	OWNER COST	OTHER INVEST
1	O	10/10/05	Affordable	12/1/05	\$12,000.00						\$12,000.00		
2	O	10/10/05	Make It Right	12/15/05	\$25,000.00	\$6,000.00					\$15,000.00	\$5,000.00	\$5,000.00
3	R	10/20/05	Quality	12/15/05	\$12,000.00	\$2,000.00					\$9,000.00	\$3,000.00	
4	O	NA	OWNER	11/30/05			\$3,500.00				NA	\$3,500.00	
5	O	10/30/05	Quality II	12/20/05	\$10,000.00					\$65,000	\$15,000.00	\$30,000.00	\$30,000.00
6	R	10/31/05	Affordable II	12/20/05	\$28,000.00	\$6,000.00					\$21,000.00	\$7,000.00	
7	R	10/31/05	Affordable II	12/20/05	\$28,000.00	\$6,000.00					\$21,000.00	\$7,000.00	
8	R	10/31/05	Affordable II	12/20/05	\$28,000.00	\$6,000.00					\$21,000.00	\$7,000.00	
9	NA	Above LMI											
10	NA	Above LMI											
11	NA	OTA											
12	NA	Conflict of I											
13	O	11/23/05	Affordable	12/23/05	\$17,000.00	\$2,000.00					\$15,000.00		
14	O	11/30/05	Make It Right	3/15/06						\$80,000	\$15,000.00	\$50,000.00	\$15,000.00
15	O	11/23/05	U.B. Realtor	12/23/05						\$60,000	\$5,000.00	\$50,000.00	\$5,000.00
16	O	12/24/05	HABITAT	4/1/06						\$75,000	\$15,000.00	\$5,000.00	\$55,000.00
17	O	12/31/05	OWNERS	3/17/06	\$21,000.00	\$5,000.00					\$11,000.00	\$10,000.00	
18	O	2/14/06	City/Mfuqua	4/1/06			\$2,500.00			31000	\$30,000.00	\$1,000.00	\$2,500.00
19	O	12/31/05	Make It Right	4/1/06	\$18,000.00	\$3,000.00					\$16,500.00	\$1,500.00	
20													
TOTALS					\$12,000.00	\$0.00	\$0.00	\$0.00	0	0	\$12,000.00	\$0.00	\$0.00

EXHIBIT 2

LOCAL HOUSING GUIDELINES SAMPLE

Ordinance No. _____

AN ORDINANCE ESTABLISHING HOUSING REHABILITATION LOAN GUIDELINES
UNDER THE CITY'S 20____ STATE COMMUNITY BLOCK GRANT NO. _____.

Be it ordained by the Governing Body of the City of _____, _____.

SECTION 1. Purpose.

The purpose of the rehabilitation program is to correct code violations, overcrowded or unsanitary conditions to improve the housing and living environment for persons of low to moderate income levels living in the City of _____, _____. All procedures or program replacements shall comply with this ordinance and with implementing loan guidelines as attached.

SECTION 2. General Objectives.

- 1) The program is devised to conserve the City's present housing stock.
- 2) Low to moderate income families, as hereinafter defined in SECTION 4, will receive rehabilitation work.
- 3) A quarterly review of the program shall be conducted to determine if changes or refinements are needed.
- 4) City codes will be followed in all work performed and in the installation of all materials.
- 5) All work will be done by qualified and licensed contractors.
- 6) Loans are limited to one per property.
- 7) The program will encompass the target area as outlined in the Community Development Application, as noted herein in Section 4E.
- 8) The Housing and Advisory Board shall be responsible for the making of all decisions as to the method used in rehabilitating the property with the right of appeal by the owner to the Governing Body of the City.
- 9) Competitive bids shall be let on each project and the lowest responsible selected, subject to the approval of the Housing and Advisory Board (and the Governing Body of the City). Minority contractors may receive negotiated bids, if approved by the Housing and Advisory Board (and the Governing Body of the City). If less than 3 bids are received, an estimate from the rehabilitation inspector will be used as a bid. Any bid within 10% of this estimate

may then be accepted. The city reserves the right to throw out the low bid if at least four bids are received.

- 10) Inspections of the work shall be made to insure that it fulfills the terms of the loan and contract agreement before payment is submitted.
- 11) City Council members, Housing and Advisory Board members, City employees and City officers shall not be eligible for loan assistance, contract or subcontract for any work, or have any personal interest, direct or indirect, in any contract under this project.

SECTION 3. Process

- 1) This is a voluntary program. All interested persons must make application before any action can be taken.
- 2) Applicants who qualify will be taken on a first-come, first-served basis. An emergency situation will receive priority. All decisions pertaining to emergencies will be made by the Housing and Advisory Board, which decision must be approved by the Governing Body of the City before becoming effective.
- 3) A complete house inspection will be made by the Program Housing Inspector. A deficiency list will be prepared and submitted to the property owner. A work write-up will be prepared, as well as a cost estimate. All decisions concerning repairs to be made to the structure will be made by the Housing and Advisory Board with the right of appeal by the owner to the governing Body of the City.
- 4) All items on the work write-up, as well as other pertinent information, will be discussed with the owner, Housing and Advisory Board, and Contractor before a contract is signed, and any allowable revisions may be made at that time.

SECTION 4. Qualifications.

- 1) Income limits for applicants are those as approved by HUD for the State of Missouri's Community Development Block Grant Program for the year of the date each application is submitted to the City.
- 2) Property will be eligible only if the owner signs an agreement to repay the full loan amount if the property rehabilitated is sold within five (5) years of contract completion or, if rental property, the rent received by the owner is increased in violation of the rent-freeze agreement executed for this property.
- 3) An owner-applicant must not have net assets in excess of \$_____, excluding equity in property.
- 4) The owner must have a recorded deed of ownership. A Contract for Deed properly executed shall constitute ownership, only if it contains provisions indicated in the attached guidelines. The buyer and the seller will be required to make joint application and jointly execute the contract for rehabilitation work. The same applies to renter-applicant – both renter and owner shall be required to jointly apply and execute the contract.

- 5) Only properties within the target area will be eligible for loan assistance, except in circumstances which involve disability needs, or emergency assistance as set out in the City's grant application and the State's CDBG Program limitations.

SECTION 5. Loan Amounts.

The amount of any approved forgivable loan will not exceed the total cost of the rehabilitation, not to exceed the sum of \$15,000 and a repayable loan not to exceed \$_____ as indicated in the attached guidelines or \$15,000 for substantial reconstruction.

SECTION 6. Repayment.

Recipients do not repay grants, unless a violation of SECTION 4, Qualifications of the Ordinance occurs.

This Ordinance shall take effect and be in force from and after its passage and publication one time in the official City newspaper.

PASSED AND APPROVED by the mayor and Governing Body of the City of _____, _____, this _____ day of _____, 20____.

Mayor

Attest: _____

City Clerk

(SEAL)

CDBG HOUSING PROGRAM GUIDELINES

CITY OF _____, _____

CHAPTER 1: GENERAL

The rules and regulations contained herein are to be used to administer the Housing Program of the City, funded by Community Development Block Funds. The rules and regulations are pursuant to ordinance _____ passed on _____.

The purpose of this program is threefold:

- To bring houses up to the “Housing Quality Standards.”
- To preserve the housing stock and to keep houses from becoming sub-standard in the near future.
- To alleviate the safety and health hazards, conserve energy and to prevent blight.
- To provide supportive services to insure the long-term self-sufficiency of program participants.

REVISION OF CONTENTS: The rules and regulations contained herein will be subject to review and revision by the Housing and Advisory Board at any time they deem necessary. However, these rules and regulations must be reviewed before they are used to administer like programs funded in future years.

CHAPTER 2: DEFINITIONS

When used in context with the “Rules and Regulations for Rehabilitation Grants/Loans,” the terms defined below hold explicit intent:

- 1) The term *Board* means the City’s Housing and Advisory Board.
- 2) The term *City* means the City of _____, Missouri.
- 3) The term “*Housing Quality Standards*” means the minimum measurement of real property as being safe, decent and sanitary for human inhabitation, as adopted by the City for projects or designated activity areas funded by Community Development Block Grant funds.
- 4) The term “*owner-occupied property*” means property occupied by the owner, either fee simple or under land sales contract, which is used entirely for residential purposes.
- 5) The term “*Public Body*” means the city and/or other assigns of the City, charged with the responsibility of administering property, grants under the Community Development Block Grant Program.
- 6) The term “*Public Official*” means any elected or appointed official of the City, or any person employed either direct or indirect, by the City.
- 7) The term *Low-to-Moderate income (LMI)* means Eligible Income per family as established by the Missouri Department of Economic Development.
- 8) The *Program Administrator* is an individual or organization authorized by the City to perform the Administrative duties of the CDBG Program Grant requirements.

- 9) The term “*Supportive Services*” means any counseling, education, transportation, childcare, or other assistance received in connection with a rehabilitation grant/loan.

CHAPTER 3: ELIGIBILITY REQUIREMENTS

This chapter sets forth eligibility requirements as to the property and the applicant for program assistance, and information pertaining to the effect this assistance may have on recipients of public assistance and other welfare benefits.

1) **TARGETED AREA:**

A rehabilitation loan may be made only with respect to a property located within project areas approved under the community development program of the City, unless allowed under the following provision. Up to 20% of the grant amount may be expended outside the area for emergency situations defined by the Housing and Advisory Board.

2) **HOUSING QUALITY STANDARDS:**

The property must need rehabilitation to meet the program’s “Housing Quality Standards”.

3) **PROPERTY OWNERSHIP:**

To be eligible for a rehabilitation loan, the applicant must be a natural person or persons who owns or has part ownership in and/or occupies residential property. The property owner must have hazard insurance on the property at an amount of at least the amount of the proposed loan. Ownership includes holding all or part of the legal title to the property or occupying the property under a land sales contract as defined by Section 4 of this Chapter.

4) **LAND SALES CONTRACT.**

The term “land sales contract” refers to any transaction regardless of the nomenclature by which it is known, in which the purchaser and/or occupant obtains fee title only if a series of installment payments are completed over a term of years. The form of land sales contract may vary considerably according to local practices, and the circumstances of each sale.

- a) **Eligibility Requirements.** In order for a purchaser under a land sales contract to be eligible for a rehabilitation grant, all of the following minimum requirements must be met.
- (1) The contract shall be a written, legally binding, instrument involving a residential property containing, after rehabilitation, not more than one dwelling unit.
 - (2) The seller of the property must hold fee title to the property and while the contract is in good standing, must be unable to use the property for collateral or convey the property to any other party unless such use for collateral or conveyance of fee is subject to the land sales contract. Legally acceptable limitations on the effect of conveyance or use of the property for collateral must be found to exist under local law, the provisions of the contract, or some other written agreement in recordable form. The Public Body shall record this agreement or the contract, prior to grant settlement if necessary to give either document the legal effect described.
 - (3) Under the contract, the seller and any subsequent holder of the fee to the property must be obligated, without qualification, to deliver to the purchaser fee simple title

and a deed to the property upon full payment of the contract price or some lesser amount.

(4) Under the terms of the contract, the purchaser shall have:

- i) Full use, possession, and quiet enjoyment of the property,
- ii) Equitable title to the property, and
- iii) Full rights of redemption for a period of not less than 90 days, unless redemption rights not less than 90 days are afforded by local law to a purchaser under a land sales contract.

(5) The purchaser shall have had possession and use of the property under the contract for at least 12 months prior to the date of application for a rehabilitation grant, unless authorized by the committee.

b) Opinion of Counsel: Before an application for loan to a purchaser under a land sales contract can be approved, the Public Body must obtain a copy of the land sales contract and an opinion from its counsel that each of the foregoing conditions is satisfied. If the land sales contract is to be refinanced, the opinion of counsel need not cover the foregoing item “4(c)” as it does not apply to such a case. The copy of the legal opinion and the contract shall be retained in the Public body’s files with respect to a rehabilitation grant.

5) ASSET LIMITATION:

Since rehabilitation loans are intended for hardship cases to avoid displacement of homeowners who have no other means of financing repairs and improvements, which must be made to their homes, rehabilitation loans shall not be made to homeowners with more than \$100,000 of identifiable resources available to the project.

6) INCOME LIMITATION:

All members of the household of the applicant must meet the income limitations provided in Chapter 5 of these Guidelines.

7) PUBLIC ASSISTANCE AND OTHER BENEFITS AFFECTED BY REHABILITATION GRANTS AND LOANS:

Under certain circumstances, the eligibility of a person receiving public assistance and other welfare benefits may be affected by a rehabilitation loan. Many states include the value of homes in asset limitations for persons receiving old age assistance, aid to the blind, aid to permanently and totally disable, aid to families with dependent children and other benefits. Before processing applications for a rehabilitation loan, the Public Body should ascertain whether recipient of public assistance in its locality could lose that aid as a result of receiving a rehabilitation grant. Because the relationships involved are based on local regulation or law, the Public Body may wish to discuss this problem with the appropriate local or State welfare agency. When a rehabilitation loan may cause discontinuance of public assistance to a recipient, the grant should be made only if the applicant affirms the request with knowledge of any possible consequences and despite those consequences.

8) RENTAL PROPERTY:

Property for rent is only eligible for a rehabilitation loan where the owner provides a rent freeze agreement to the project administrator. The rent freeze agreement provides that, for a period of three years, the property owner will not raise the rent for the structure above the level at the time of application. The rent level must also be affordable within HUD published Fair Market Rent Levels. Rental property owners that do not qualify above stated income limits must pay less than 25% of the project cost, excluding lead reduction activities.

CHAPTER 4: LIMITATION OF LOANS

1) GENERAL:

This chapter sets forth the limitation on the amount of a housing assistance. This amount is the maximum amount of CDBG dollars that may be expended on one house. This amount represents the actual amount of dollars that could be expended on a house rather than the total amount on a contract with funding from any source.

2) PROGRAMS:

Applicants may receive the following types of assistance at the discretion of the housing committee:

- a) Housing Rehabilitation Assistance – For houses that can be brought to DED’s Livability Standards for up to \$15/sq. ft. of conditioned space plus the cost of lead hazard reduction.
- b) Emergency Housing Repair - For houses that do not meet the above criteria, but can be brought to DED’s health and safety standard for \$15/sq. ft. + the cost of lead hazard reduction.
- c) Housing Reconstruction – Where a house does not meet the above criteria and is infeasible to rehabilitate or repair, the house is demolished and rebuilt upon the same site.
- d) Relocation Assistance – Where a house cannot be rehabilitated or repaired and adequate funds are not available to reconstruct the house, relocation assistance may be provided in accordance with the Uniform Acquisition and Relocation Assistance Policies Act and the house will be demolished.

3) AMOUNT OF ASSISTANCE:

Housing Rehabilitation or Emergency Repair Assistance - \$15,000 loan forgivable after five years upon the condition that the property not transfer ownership for a five year period. 20% of the amount this loan will be forgiven on an annual basis.

Amounts in addition to the \$15,000 forgivable loan may be expended for the sole purpose of bringing a property up to Housing Quality Standards. This amount is repayable to the City of _____ upon the transfer of ownership of the property.

Applicants will be required to sign a deed of trust and promissory note, to be recorded at the office of the County to receive this additional assistance.

Lead Hazard Reduction Assistance – If a house is a rental unit or is occupied by a child under 6, or is defined as a child-occupied-facility, up to \$6,000 in grant funds, in addition to any rehabilitation or repair assistance, may be provided to eliminate any lead hazards as defined by a lead risk assessor. This amount shall be in addition to any amounts specified above. All homes or rental units that will be rehabilitated with CDBG funds, must have a lead risk

assessment and the have the lead hazards reduced as far as practicable up to \$6,000, such that the total CDBG rehabilitation assistance received does not exceed \$21,000. Other non-CDBG sources of funds may be used to reduce lead hazards above the \$21,000 CDBG cost limit. Costs above \$25,000 will require lead abatement by a lead abatement contractor licensed by the Missouri Department of Health and Senior Services.

Substantial Reconstruction – Up to \$15,000 may be provided in the form of a forgivable five-year loan. Any additional amounts required to build the house must be provided by the applicant.

4) WALK-AWAY POLICY:

Should a project be determined to not be feasible due to a lack of funding or not meet any of the eligibility criteria of these programs, or the applicant refuses the assistance offered, the city retains the right to reject the owner's application.

CHAPTER 5: APPLICANT'S INCOME

1) HOUSEHOLD INCOME:

The income of a household includes the gross income of the occupants of a house. The applicant's family includes the applicant and any other person or persons related by blood, marriage, or operation of law that share the same dwelling unit. If ownership of the property rest in more than one person, the applicant is each owner occupant and their families. The applicant's income, therefore, includes all sources of income in the household, however, each family within the household must qualify individually. An applicant's income is established on an annual basis, by projecting income for 12 months from the time of applying for a housing assistance and includes all sources included in "adjusted gross income" as defined by the Federal Internal Revenue Service. Applicants will be asked to prove each source of income listed on their application through assisting in obtaining a third party verification or through submitting a certified copy of their latest tax information.

2) INCOME LIMITS:

The amounts listed below are the maximum, gross family income allowed per family size for a rehabilitation grant. These income limits are subject to change on an annual basis based on the latest HUD published data.

Size of Family:	1	2	3	4	5	6	7	8+
Income:								

Questions concerning income calculations should be directed to the grant administrator.

3) ELIGIBLE HOUSEHOLDS:

In order to be eligible, the income of the occupants of the house must meet the above income eligibility criteria. If the applicant is not the occupant of the house, then the applicant must require the occupants of the house to meet the eligibility requirements. If the applicant is a rental property owner and does not live in the house to be improved, the applicant must also meet the eligibility requirement or pay 25% of the total project cost of rehabilitation. Landlords need not submit necessary income documentation if they agree to pay 25% of the entire project cost, regardless of their income.

CHAPTER 6: TERMS AND CONDITIONS UNDER WHICH REHABILITATION GRANTS ARE MADE

1) GENERAL.

This chapter sets forth city requirements with respect to terms and conditions to which an applicant must agree in order to obtain a rehabilitation grant.

2) REHABILITATION GRANT CONDITIONS.

The specific terms and conditions with respect to a rehabilitation grant are incorporated in these rules and regulations. The applicant shall agree, and by signing the application forms does agree to:

- a) **Civil Rights.** Comply with all HUD Requirements with respect to Title VI of the Civil Rights Act of 1964, to not discriminate upon the basis of race, color creed, or national origin in sale, lease, rental, use or occupancy of the subject property.
- b) **Cancellation of Grant.** Return of the loan proceeds with no right, interest or claim in the proceeds, if the loan is cancelled before the rehabilitation work is started.
- c) **Use of Proceeds.** Use of loan proceeds only to pay for costs of services and materials necessary to carry out the rehabilitation work for which the loan will be approved.
- d) **Completion of Work.** Assure that the rehabilitation work shall be carried out promptly and efficiently, through written contract let with the prior concurrence of the Housing and Advisory Board.
- e) **Ineligible Contractors.** Not award any contract for rehabilitation work to be paid for in whole or in part with the proceeds of the grant, to any contractor who, at the time, is ineligible under the provisions of any applicable regulations issued by the Secretary of Labor, United States Department of Labor, to receive an award of such contract.
- f) **Inspection.** Consent to inspection by the City or its designee of the property, the rehabilitation work and all contracts, materials, equipment, payrolls, and conditions of employment pertaining to the work.
- g) **Records.** Keep such records as may be required by the City with respect to the rehabilitation work.
- h) **Bonus, Commission, or Fee.** Not pay any bonus, commission, or fee for the purpose of obtaining the city's approval of the loan application or any other approval or concurrency required by the City or its designee, to complete the rehabilitation work, financed in whole or in part with the rehabilitation loan.
- i) **Interest of the Public Body.** Allow no member of the governing body of the Public Body, who exercises any functions or responsibilities in connection with the administration of the federally assisted project or program, and no other officer or employee of the Public Body who exercises such functions or responsibilities, to have any interest, direct or indirect, in the proceeds of the grant, or in any contract entered into by that application, for the performance of work financed in whole or in part with the proceeds of a rehabilitation loan.

- j) Interest of other local Public Officials. Allow no member of the governing body of the locality in which the property to be rehabilitated is situated, and no other public official of the locality who exercises any functions or responsibilities in connection with the administration of the federally assisted project or program, and no other officer or employee of the Public body who exercises such functions or responsibilities, to have any interest, direct or indirect, in the proceeds of this grant, or in any contract entered into by the applicant for the performance of work financed in whole or in part with the proceeds of the rehabilitation grant.
- k) Trash and Junk. The loan recipient shall be required to, where the Project Administrator deems it necessary, clean up the premises of all trash, junk, abandoned autos, cut all tall weeds, grass, and vegetation, before any work is done on the recipient's home.
- l) Lead-Based Paint Hazard Removal. The loan recipient shall consent to the removal lead hazards as are determined by the city's lead-based paint risk assessor. The loan recipient shall consent to the procedures necessary to contain dust during the removal of lead-based paint hazards, including limiting occupancy of the house to areas outside of critical containment barriers set up by the rehabilitation or lead abatement contractor. If relocation is necessary as a part of lead reduction activities, the owner of the property shall consent to payment of relocation costs for a period not to exceed 14 days, after which the loan proceeds will be used to cover any additional temporary relocation costs.
- m) Home Maintenance/Financial Management Program. The loan recipient shall participate in a home maintenance and financial seminar and/or counseling established for the program by the City.
- n) Repayment Provisions. Some or all of the portion of the loan proceeds shall become immediately due and repayable to the City in the event that the property changes ownership as is outlined in the contract documents, and if the amount of the loan exceeds \$15,000, as is further outlined in a promissory note executed by the property owner.
- o) Housing Quality Standards. The loan recipient must agree that the property to be improved will meet Housing Quality Standards as defined by the Department of Economic Development at the completion of a housing rehabilitation project. Should the city have inadequate funds, in accordance with program guidelines, to make up any shortfall to meet this standard, the owner agrees to make up the difference with their own funds. The owner is under no obligation to ensure that the property continues to meet DED HQS after a certificate of completion has been executed, but is encouraged to maintain the house to this standard or better.
- p) Contract Periods. The contract period shall not exceed 90 days, except as approved by the board, and then shall not exceed 180 days without penalty to the contractor.

CHAPTER 7: ELIGIBLE COSTS IN REHABILITATION LOANS

1) GENERAL.

A rehabilitation loan may be made only to cover the cost of rehabilitation necessary to make residential property conform to public standards for safe, decent, and sanitary housing as specifically required by Housing Quality Standards, and other costs as provided in this

section. Rehabilitation funds shall be used to achieve economical and practical compliance with HQS.

2) INCLUDABLE COSTS.

Costs includable in a rehabilitation loan are the costs of: meeting the requirements of Housing Quality Standards, kitchen equipment, correcting incipient violations, building permits and related fees, and any lead hazard reduction costs including any costs of temporary relocation, dust control and clearance.

3) COSTS NOT INCLUDABLE.

Except as otherwise provided in this section, a rehabilitation loan shall not provide for:

- a) New construction or substantial reconstruction.
- b) Materials, fixtures, equipment, or landscaping of a type or quality which exceeds that customarily used in the locality for properties of the same general type as the property to be rehabilitated unless the difference in cost is paid for exclusively with the funds of the property owner.
- c) Any appliance not necessary to meet DED HQS other than air conditioning equipment.
- d) Driveways, and landscaping.

4) WORK WRITE UP.

The Public Body shall prepare a deficiency list and work write-up in accordance with the HQS, to document the rehabilitation work to be financed with a rehabilitation loan. Any additions to the work write-up based upon the owners wishes to exceed DED HQS may be included in the work write-up, provided that these items are paid for exclusively with the owner's funds as is outlined in the contract specifications.

5) CHANGE ORDERS.

The rehabilitation inspector with the consent of the property owner may approve changes in the work write-up, if the amount of the contract is not increased more than \$250. Changes in the loan amount in excess of \$250 must be approved by the Housing and Advisory Board, with the consent of the property owner. All change orders will be in writing and will be signed by the property owner, or the designated representative of the property owner, a representative of the Public Body, and the contractor.

6) MANUFACTURED HOMES.

In order to be eligible, manufactured homes must be permanently affixed to the lot by means of tie-downs to footings provided in accordance with the recommendations of the manufacturer, permanent utility connections must be in place or proposed, and all items necessary to move the home must be removed. A manufactured home must be made after January 1, 1977, to be eligible to be rehabilitated. Pre-1977 manufactured homes may be replaced under the provisions of the Uniform Act if they have been officially determined to be infeasible to rehabilitate to DED's Health and Safety HQS. The replacement manufactured home cannot be more than 3-years old and must have a HUD Stamp.

CHAPTER 8: PROCESSING AND SUBMISSIONS FOR LOANS

1) GENERAL.

This chapter contains an outline of the functions to be performed by the Program Administrator in connection with a rehabilitation loan, and sets forth the rules and regulations to be followed by the Administrator in preparing, processing, and approving or denying an application for a rehabilitation loan for aggrieved applicants.

2) PROCESSING AND APPROVAL OF A LOAN APPLICATION.

Processing by the Program Administrator of an application for a rehabilitation loan consists of the completion of the requirements stated herein, assembled in one file consisting of the application form and all supporting documents, and the review of the file to determine approval.

- a) Preparation of Form. The program Administrator shall assist in preparing the application form (original and one copy) for the applicant, based on information furnished by the applicant and obtained by the Administrator from other sources, as documented in the file. Every space provided for an entry on the application shall be completed. Entries of money amounts shall be made rounded to the nearest dollar. If no money is involved for an entry for a particular application, the entry shall be "none." Review and approval by the Application Committee of the application form shall be based on the form completed in this manner.
- b) Applicants Purchasing Under a Land Sales Contract. If an application for a rehabilitation loan with respect to an occupant-vendee under a land sales contract or similar arrangement, the file shall contain documentation to support the requirements in Chapter 3.
- c) Approval of Application for Grant. The Program Administrator shall obtain approval of an application form by presenting it to the Housing and Advisory Board. The Board will then, using these "Guidelines," decide on the eligibility of the applicant. If the rehabilitation loan alone is sufficient to rehabilitate the property, or if the rehabilitation loan is to be supplemented by funds from other sources and the Board is assured that the property will be rehabilitated to their satisfaction, the rehabilitation loan is considered approved. The Program Administrator shall notify the applicant, and proceed with the remainder of the functions in order to complete the rehabilitation work. If the Rehabilitation Board determines that an application for a loan cannot be approved, the Program Administrator shall send a written statement of the reasons for the determination to the applicant.

3) GRANT CANCELLATION.

An approved rehabilitation loan may need to be cancelled because the applicant has requested cancellation or is unwilling or unable to participate in the rehabilitation program, or for other reasons. To cancel an approved rehabilitation loan, the Program Administrator shall prepare a letter outlining the reasons for canceling the loan and distribute the letter as follows:

- a) Original to applicant.

- b) One copy to the Administrative file.

4) APPEAL PROCEDURE.

- a) Any person aggrieved by a decision of the Housing Rehabilitation Board, relating to loan approval, loan cancellation, determination of loan amount, or concerning acquisition and relocation procedures implementing by the governing body, may appeal said decision by filing a written appeal to said Housing and Advisory Board of the City within thirty (30) days of receiving notice of the Board's decision. The Board shall hold a public hearing after due notice to the appellant within thirty (30) days of filing said notice of appeal. The Board may affirm or reverse or modify its decision and notify the appellant in writing of its decision and the reasons therefore. After the public hearing, the Housing and Advisory Board's decision shall be final, subject to approval of the City Council.
- b) Any person denied a loan by the Housing and Advisory Board who does not take exception with the findings, but who believes there are circumstances which, if known and considered, would establish extreme hardship and justify variance from the eligibility standards established herein may request a hearing before the Housing and Advisory Board by filing said request with the Board within thirty (30) days of receiving notification of the Board's decision. The Board shall proceed upon such request in the manner set out for appeals. The project administrator shall provide any persons needing assistance in filing an appeal the appropriate assistance.
- c) Time limit for initiating appeals: The city may set a reasonable time limit for filing grievances and appeals. The city will not consider any appeal for rehabilitation work which meets all of the following criteria:
 - (1) The aggrieved party signed a certificate of completion; or the process described in Chapter 9,1, (e) of these guidelines has been completed;
 - (2) The certificate of completion was signed more than one year before the grievance process is initiated.
 - (3) The aggrieved party has not documented efforts to have the contractor return to resolve the matter within the one-year period after the certificate completion was signed.

All other requests concerning completion of the contract requirements by the contractor will follow the procedure outlined in "Chapter 9,1,f", even in cases where a certificate of completion has been signed.

- d) Right to Representation: A person has a right to be represented by legal counsel or other representative in connection with his or her appeal, but solely at the person's own expense.
- e) Right to Files by Persons making Appeals: The City will permit a person to inspect and copy all materials pertinent to her or his appeal, except materials that are classified as confidential. The City may, however, impose reasonable conditions on the person's right to inspect, which are consistent with applicable laws, such as the cost of copying materials.
- f) Scope of Review of Appeal: In deciding an appeal from the Board's decision, the City Council shall consider all pertinent justification and other material submitted by the

person, and all other available information that is needed to ensure a fair and full determination of the appeal.

- g) **Determination and Notification After Appeal:** Within thirty days after the receipt of all information submitted by a person in support of an appeal, the City Council shall make a written determination on the appeal, including an explanation of the basis on which the decision was made, and furnish the person a copy. The City official(s) conducting the appeal determination shall not have been directly involved in the action appealed. If the relief requested is not granted, the City shall advise the person of her or his right to seek Missouri Community Development Block Grant (CDBG) program review of the City's written determination of the appeal. The City must inform the person of their right to seek a CDBG review in writing and provide the person with the State of Missouri CDBG program address and phone number. This information must be sent with the copy of the City's written determination of the appeal that is provided the appellant.
- h) **Time Limit for CDBG Review of Grantee Determination.** A person has 45 days after she or he receives the City's written determination of their appeal to file a review appeal with the State of Missouri's Community Development Block Grant Program.

CHAPTER 9: PROCEDURE OF REVIEW OF THE REHABILITATION ACCOUNT AND REPORTS TO THE CITY

1) ACCOUNTING.

- a) The Program Administer (appointed) shall approve and present bills to the Housing and Advisory Board and after their review they shall be given to the city clerk for scheduling for City Council review prior to payment from the CDBG account.
- b) The Board may periodically inspect all records associated with the CDBG Program.
- c) The City Council shall be responsible for a periodic check of all receipts and disbursements of the CDBG program.
- d) The Program Administrator shall prepare and keep all ledgers and shall write all CDBG related checks. All checks shall be executed by two authorized signatories. The checkbook shall be in the possession of the City Clerk.
- e) Partial payment to contractors shall be paid when a payment request form has been submitted and signed by the city's inspector and a representative of the Public Body, and lien waivers have been provided for all materials installed.
- f) A bill for not more than 90% of final contract payment of a contractor shall not be paid unless the following information has been filed with the City: a certificate of completion signed by the property owner, notarized lien waivers have been provided for the general contractor, subcontractor, and all material suppliers, lead-based paint clearance standards have been met, and all warranties have been provided by the contractor. If a homeowner refuses to sign a certificate of completion, the project administrator should apply the following procedure:
 - (1) Request a written list of the items not completed to the owner's satisfaction.

- (2) Should an owner refuse to present such a list to the grantee, the project administrator should mail a certified letter to the owner providing the owner a period of 10-20 days in which to provide such a list to the grantee.
 - (3) Whether or not the project administrator receives a list from the owner, the Board representative must review the contractor's work to determine if the contractor has fulfilled all of the terms of the contract.
 - (4) If the project administrator does not receive a deficiency list within the specified time period, the Board should consider the matter closed when they have determined that the contractor has fulfilled the terms of the contract. The Board representative's re-inspection report and letter requesting a deficiency list from the property owner should be placed in the project file.
 - (5) Upon receipt of a deficiency list from an owner, a representative of the Board shall re-inspect the property in accordance with the list as well as the terms of the contract.
 - (6) When the contractor has addressed all reasonable requests, the house meets DED HQS, and the terms of the contract have been fulfilled, the project administrator should again present the certificate of completion to the owner for their signature.
 - (7) If the owner still refuses to sign, the project administrator shall request a final list of deficiencies from the owner to present to the Housing and Advisory Board.
 - (8) When the Board determines that the work is complete, terms of the contract fulfilled, reasonable requests by the owner addressed, and the house meets DED HQS, further complaints by the owner should be placed in the file and the grantee should consider the project complete. Final payment to the contractor may be made.
- g) The Board shall hold back the final 10% of a contractor's payment until 30 days after the final "Certificate of Completion" is signed before issuing the final payment on a project.

This will ensure that any immediately required warranty work is handled in an expeditious manner.

2) CITY COUNCIL MEETINGS.

There shall be progress reports and financial statements given to the City concerning the progress of the Program.

3) REPORTING AND MEETINGS OF THE BOARD.

The Housing and Advisory Board shall meet once a month or when necessary to make decisions. The city's inspector and administrator shall report to the Board concerning the progress of the program.

4) PROJECT INSPECTIONS.

The City's inspector shall inspect each project under contract not less than once per week until each project is completed. A report of each inspection shall be provided to the city's project administrator.

CHAPTER 10: CONTRACTOR SELECTION

1) CONTRACTOR LIST.

The project administrator will develop a qualified contractor list containing the names of all contractors meeting the eligibility requirements. The project administrator will solicit new contractors by advertisement or newspaper twice per year and/or through other methods. Minority and female owned contractors will be solicited directly.

2) CONTRACTOR QUALIFICATIONS.

In order to qualify for the list, contractors must meet the following requirements:

- a) Must carry Worker's Compensation Insurance for all employees not having an ownership interest in the business.
- b) Must carry liability insurance at the minimum amount of \$300,000.
- c) If undertaking lead abatement activities, must carry a supervisor's license and contractor's license from the Missouri Department of Health.
- d) If undertaking electrical or HVAC work, must be licensed by the city.
- e) Must fill out the contractor application form.
- f) Must have good credit with the appropriate materials suppliers.
- g) Must be able to supply the tools and materials necessary to complete each job.

3) NON-PERFORMING CONTRACTORS:

Contractors who consistently exhibit poor workmanship or do not return to complete contract requirements will be eliminated from the contractor list. Contractors who do not complete their contracts within an allotted time period will not be eligible to submit bids for additional projects until they are in compliance within the appropriate contract time period. Contractors that do not honor the warranty provisions of their contract will be eliminated from the contractor list. Based upon the severity of any breach of contract, the city will take appropriate legal action or attempt to mediate contract disputes as is deemed appropriate by the Board.

4) CONTRACTOR SELECTION:

Contractors will be asked to submit an itemized bid containing a firm amount for each item on the work write-up. The Board will receive sealed bids at a specified date and time. Each bid will be accompanied by a cashier's check or letter of credit from a local bank up to 25% the cost of the contract. These funds will be returned to the contractor or letter of credit may be cancelled at the completion of the 30-day holdback period after the final certificate of completion has been executed. If at least two bids are received at that time, late bids will not be accepted. Contractors selected by the Board will be awarded bids as follows:

- a) Where at least four bids are received, the second lowest bidder will receive the contract award.
- b) Where three bids are received, the lowest bidder will receive the contract award.
- c) Where two bids are received, the lowest bid will receive the contract award if within 10% of the inspector's cost estimate.
- d) Where one bid is received, the bid must be within 10% of the inspector's cost estimate.

If one contractor would receive a larger number of contracts than the contractor could complete within a reasonable period of time, based upon the above criteria, then the Board retains the option to eliminate a bid for any particular property and reconsider the remaining bids in accordance with the above listed rules. In eliminating a bid, the Board will take into consideration the financial strength of the contractor, the tools the contractor owns, and the number of employees of the contractor. The Board will allow owners to select a contractor provided the selected contractor does not bid more than 10% above the inspector's cost estimate. If the contractor's bid is more than 10% above the inspector's cost estimate, the owner may still select the contractor provided that the owner covers the additional costs. In such cases, the Owner's funds will be placed in a interest-bearing escrow account prior to the date that a Notice to Proceed on the project is issued. In all cases, the city reserves the right to reject any and all bids and reserves the right to eliminate bid items to meet the maximum loan amounts listed in Chapter 4.

5) OWNER-CONTRACTORS:

Property owners conducting work on their own properties will be subject to the same qualification review as indicated in Item 2 above with the following exceptions:

- a) Requirements for liability insurance are waived;
- b) An owner-contractor is not required to own a lead contractor/supervisory license, provided the owner without hiring other persons completes all of the work.

Alternative Priority Rating Systems for Scattered Site Type Programs

REHABILITATION LOAN APPLICATION PRIORITY RATING GUIDE

<u>Income:</u>	<u>Points</u>
1) Less than 100 percent of the maximum income level.....	5
2) Less than 90 percent of the maximum income level.....	5
3) Less than 80 percent of the maximum income level.....	5
4) Less than 70 percent of the maximum income level.....	10
<u>Household Characteristics:</u>	
1) Handicapped/Disabled Applicant	5
2) Elderly (62 and over)	5
3) Single Head of Household w/ dependent children.....	5
4) Household with four or more dependent children	10
<u>Loan Impact:</u>	
1) Eliminate hazardous conditions	10
2) Eliminate housing overcrowding	10
3) Substantial Weatherization and Energy Conservation Improvements.....	5
<u>Other Factors:</u>	
1) Demonstrated efforts toward maintenance or rehabilitation.....	5
2) Temporary relocation will not be required	5
3) Will take courses in housing maintenance and budgeting	10
4) Owner financing at least \$1,000 of cost.....	10
TOTAL	100

REHABILITATION LOAN APPLICATION PRIORITY RATING **GUIDE**

<u>Income:</u>	<u>Points</u>
1) Below maximum income level or 25% of monthly income expended on housing	35
2) Below maximum income level and 25% of monthly income expended on housing...	10
3) Less than 75% of maximum income level.....	5
<u>Household Characteristics:</u>	
4) Elderly/Handicapped/Disabled Applicant	5
5) Female headed household with dependent children	5
6) Large family	10
<u>Grant Impact:</u>	
1) Bring home to DED Livability Standards.....	15
2) Bring home to Code	10
3) Eliminate hazardous conditions	5
TOTAL	100

EXHIBIT 3

CITIZENS HOUSING REHAB ADVISORY BOARD **ORDINANCE**

Ordinance No. _____

AN ORDINANCE CREATING A HOUSING REHABILITATION AND CITIZENS ADVISORY BOARD TO SERVE THE GOVERNING BODY OF THE CITY OF _____, _____, IN MATTERS PERTAINING TO THE CITY'S 20____ COMMUNITY DEVELOPMENT BLOCK GRANT AND ESTABLISHING SAID BOARD'S FUNCTIONS, DUTIES, AND AUTHORITY.

Be it ordained by the Governing Body of the City of _____:

Section 1: Housing Rehabilitation and Citizens Advisory Board Created.

There is hereby created and established a Housing Rehabilitation and Citizens Advisory Board (hereinafter called the Board) to serve the Governing Body of the City of _____, which Board shall have the functions, duties, and authority prescribed herein.

Section 2: Membership and Vacancies:

The Board shall consist of _____ members to be appointed by the Mayor with the consent of the Governing Body. All members shall be residents of the City and shall serve the duration of the City's _____ State Community Development Block Grant, No. _____. Any vacancies, which occur during the term of said Grant, may be filled for the remaining term by appointment by the Mayor with the consent of the Governing Body. All members of the Board shall serve without pay.

Section 3: Functions, Duties, and Authority:

The Board shall have the following functions, duties, and authority:

- 1) Serve as a citizens advisory group for the Community Development Applications to the State CDBG Program.
- 2) Receive and process applications for housing rehabilitation grants.
- 3) Receive bids and award contracts for housing rehabilitation.
- 4) Approve final inspections of housing rehabilitation work and recommend payments to be made to the contractor by the City.
- 5) Establish policy where not otherwise specified.
- 6) Recommend changes in program guidelines to the Governing Body of the City.

- 7) Authorize change orders to work in progress, which authorization shall be subject to appeal in the manner hereinafter set forth in paragraph eight.
- 8) Have decision-making authority concerning repair of existing housing, provided, however, that the owner of any house who disputes any such decision made by the Board may appeal such decision to the Governing Body of the city if such appeal is made in writing and filed with the City Clerk within _____ days after the Board's decision is made. Upon receipt of such notice of appeal, the Governing Body of the City shall set a time and place for a hearing on the appeal and shall give said owner written notice thereof. At such hearing said owner shall be given an opportunity to be heard and to show cause why the Board's decision should be modified or overruled. Upon hearing the evidence and testimony presented at such hearing, the Governing Body of the City shall issue its order either sustaining, modifying, or overruling the Board's decision, which order shall be reduced to writing and mailed to said owner, at his last known address, within _____ days after the date of the hearing. The only decisions that shall be subject to appeal by any owner shall be those decisions made by the Board pursuant to this paragraph eight (8) and paragraph seven (7) above.

Section 4: Officers.

The Board shall elect a Chairman and a Vice-Chairman, who shall serve for the duration of said Grant.

The Board shall determine meeting times and places. Special meetings may be held on call of the Chairman. A majority of the Board shall constitute a quorum for the transaction of business. The Board shall cause a proper record to be kept of its proceedings.

This Ordinance shall take effect and be in force from and after its passage, approval, and publication one time in the official City newspaper.

PASSED AND APPROVED by the Mayor and Governing Body of the City of _____, this _____ day of _____, 20____.

Mayor

Attest: _____

City Clerk

(SEAL)